

Historic Restoration and Rehabilitation Property Tax Credit

Program Purpose and Description:

This program was designed to encourage preservation and investment in historic properties.

This is a 10-year program, with the credit granted on the increased value of a historic property due solely to the qualified historic improvements. The assessment subject to the credit is computed once and used for the entire term of the credit. For projects with construction cost less than \$3.5 million the credit is 100%.

Please Note: For projects with construction costs more than \$3.5 million the credit provides 80% tax relief in the first 5 taxable years and declines by 10 percentage points annually thereafter to 30% in the 10th year.

	Assessment Before Improvement	Assessment After Improvement	Difference in Assessment	Credit %	Amount Eligible for Credit	City Tax Rate *	Credit Amount
Column	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Calculation			(2) - (1)		(3) * (4)		(5) * (6)
Year 1	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00
Year 2	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00
Year 3	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00
Year 4	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00
Year 5	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00
Year 6	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00
Year 7	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00
Year 8	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00
Year 9	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00
Year 10	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.268	\$3,402.00

* Assumes no tax rate change during the five year credit period.

Sunset Provision:

Applications for this credit shall not be accepted after February 28, 2009 unless legislation is passed to extend the program.

Application Process:

Please visit <http://www.baltimorecity.gov/government/historic/taxcredit.html> for information procedures and application materials.

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Legal Reference:

- State enabling legislation – Annotated Code of Maryland, Tax Property Article, Section 9-204.1 (Chapter 657, 1995 Session).
- Baltimore City Code, Article 28-Taxes, Section 10-8 (ordinance No. 668, effective January 3, 1996, as amended by Ordinance 1976/83, effective September 4, 1997, 99-416, effective May 26, 1999, Ordinance 00-103, and Ordinance 02-475, Ordinance 06-184).